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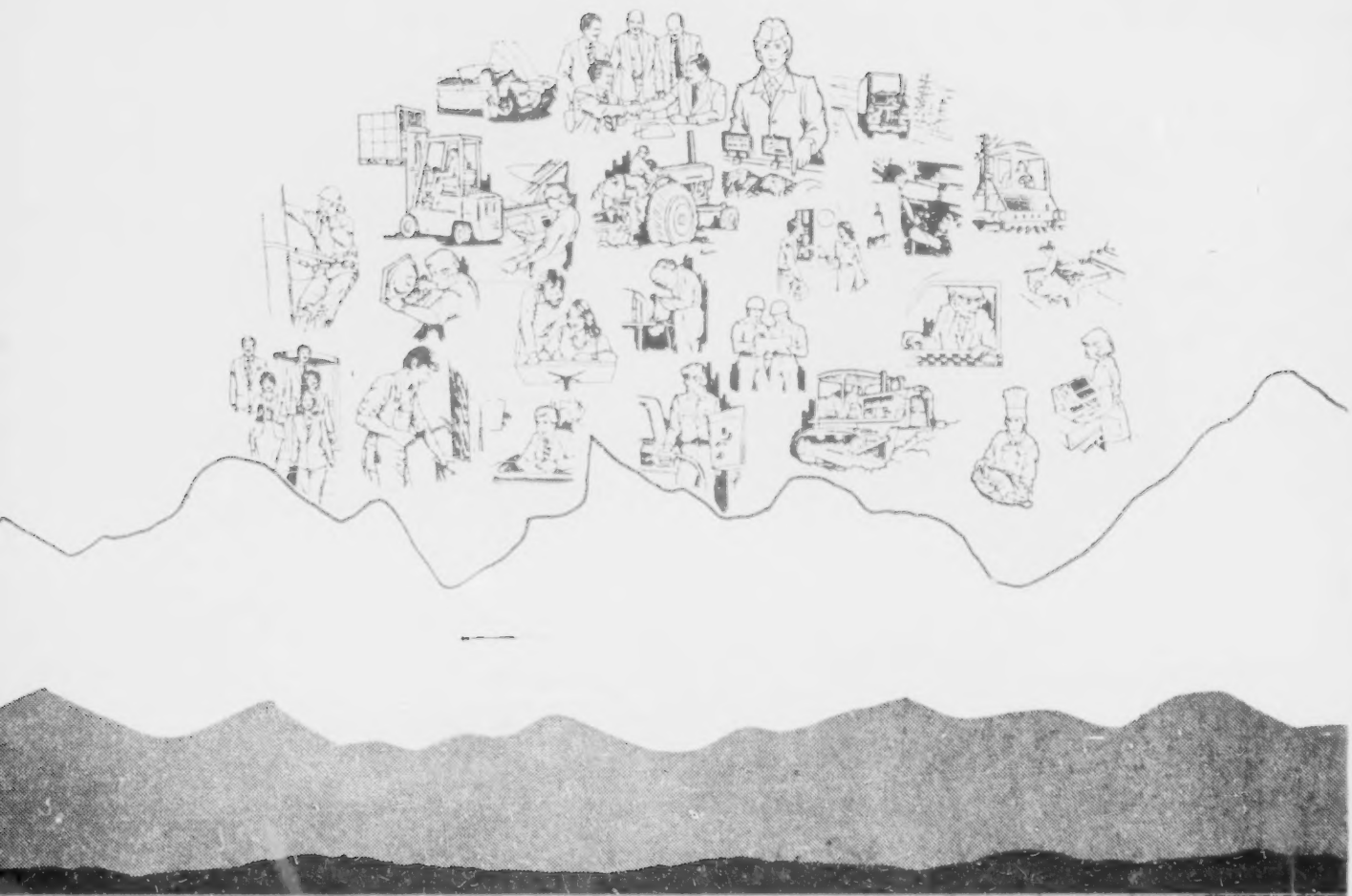

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(Quarterly Analysis)

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Prepared by

Colorado Trends

divisions, total nonagricultural wage and salary employment in Colorado reached a record high 1,421,000 during the current period. The largest growth appeared in government, up 14,300. The upturn here is mostly seasonal coming in state and local education with the opening of the new school year.

Layoffs in the coal and oil and gas sectors helped hold mining to a 200 job gain. A more substantial upturn had been anticipated with the restart in early September of Amax's molybdenum mining operations. About 1,200 workers had been laid off in July when Amax temporarily closed its mines near Leadville and Empire.

Trade registered a substantial 1,100 job gain. Both trade and services normally lose employment during September as the summer tourist season ends; but this year, largely due to the opening of new food stores and strength in eating and drinking places, the expected dropoff in trade did not materialize

Services recorded the largest decline of any major industry during the month, down 4,400 workers. That is a much smaller loss than the seasonal norm, however. Nearly half the downturn was accounted for by the lodging places sector which despite this current movement appears to be very strong. Over 2,000 new jobs have been added to the sector during the past year as a number of hotels and motels have been built throughout the State, particularly in the Metro Area. The Hyatt Regency Hotel is scheduled to open in mid-November and will provide another boost to service employment in Denver.

Manufacturing; construction; and finance, insurance and real estate each lost 800 jobs. Scattered layoffs in durable goods together with a seasonal downturn in the food and kindred products sector accounted for the loss in manufacturing. Construction has been below par for the past several months as weak home sales and a flattening in commercial building slowed activity. The bulk of the loss in finance, insurance and real estate appeared in the real estate sector which reacted to both seasonal slowing and sluggish market conditions.

The Colorado labor market continues to be a mixture of strength and weakness. While September statistics indicated some positive movement, moderately slow economic conditions are expected to prevail over the next few months.

DENVER-BOULDER LMA

The seasonally adjusted unemployment rate in the eased one-tenth of one percent to 4.8 percent in September from the 4.9 percent rate posted in August. Despite the drop in the Area's unemployment rate it is well above its level of last year of 4.4 percent. The number of unemployed persons fell 1,400 over the month to 49,500, but is 4,500 higher than the 45,000 that were without work one year ago. Total employment in the Metro Area gained 4,600 during September to 969,400. Although not a record, it is just 900 shy of the all-time high of 970,300 set last November. The current month's total employment is 9,100 above the September 1984 level.

In other news developments, consumer prices in the Denver Area as measured by the All Urban Consumers Price Index (CPI-U) continue to moderate. In fact, prices actually fell by 0.6 percent between July and September, the latest reporting period. Major components reporting decreases in the most recent two month period include food and beverages (-1.3%), housing (-1.2%), transportation (-0.6%) and entertainment (-0.6%). Those registering increases were apparel and upkeep (+1.5%), medical care (+1.4%) and other goods and services (+2.4%). Consumer price inflation over the past twelve months in Denver fell to 1.9 percent, the lowest annual reading of inflation for the Area since way back in July 1968 when prices were also up by 1.9 percent.

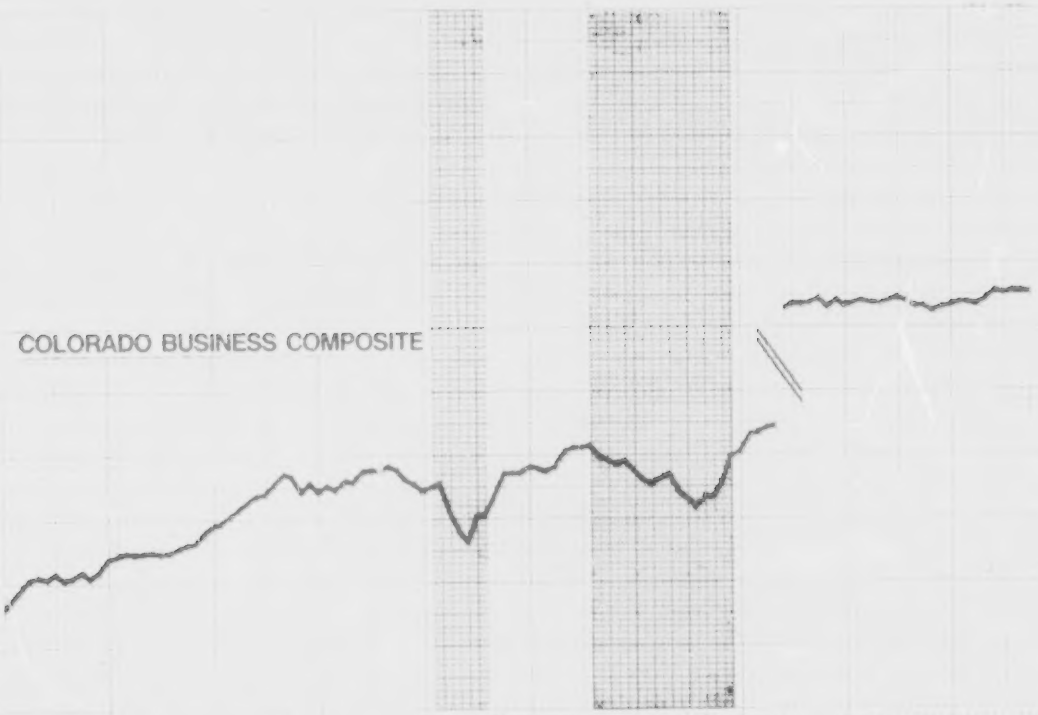
The Colorado Business Composite

The State's index of leading economic indicators was unchanged in September from the 155.2 registered in August. The index's behavior since hitting 152.5 in October 1984 would indicate a continuation in the trend toward slow, spotty improvement in the State's economic condition through year-end. A sharp 6.5 percent drop in the Colorado stock market index over the month offset gains in all five of the other leading indicators comprising the Colorado Business Composite (CBC).

COLORADO QUARTERLY SUMMARY

Period (Qtr.)		Average Employment	Change - Qtr. -	% Growth (Ann. Rate)
1984:	3	1,609,500	+ 3,500	+ 0.9
	4	1,627,200	+ 17,700	+ 4.4
1985:	1	1,606,900	- 20,300	- 5.0
	2	1,610,900	+ 4,000	+ 1.0
	3	1,619,200	+ 8,300	+ 2.1

Growth in total statewide employment accelerated in the third quarter to an annual rate of 2.1 percent from a rate of 1.0 percent in the second. Seasonally adjusted employment averaged 1,619,200 over the quarter, up 8,300 from the prior period. The improvement over the last two quarters follows a loss of 20,300 experienced in the first quarter of this year. On an annual basis, however, employment growth is still sluggish. Between the third quarter of 1984 and the current quarter total employment has managed to gain only 9,700 or 0.6 percent, a rate way below the average growth in the State of 2.9 percent per year over the past five years. Real Gross National Product (GNP) in the United States gained at a moderate 3.3 percent annual rate in the third quarter following dismal growth during the first half of 1985 when growth averaged a less than robust 1.1 percent. Contributing to the new strength were a significent slowing in the growth of the trade deficit, a big jump in government spending and the late summer surge in new car sales. Those factors were partly offset by declines in business investment and inventories.

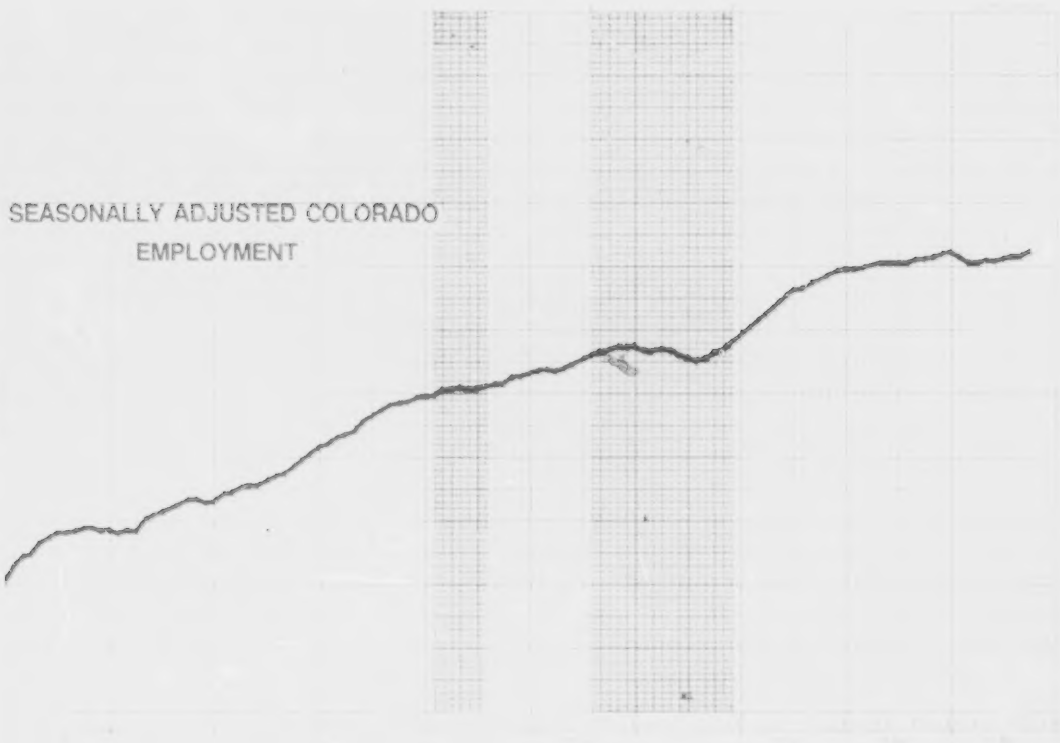


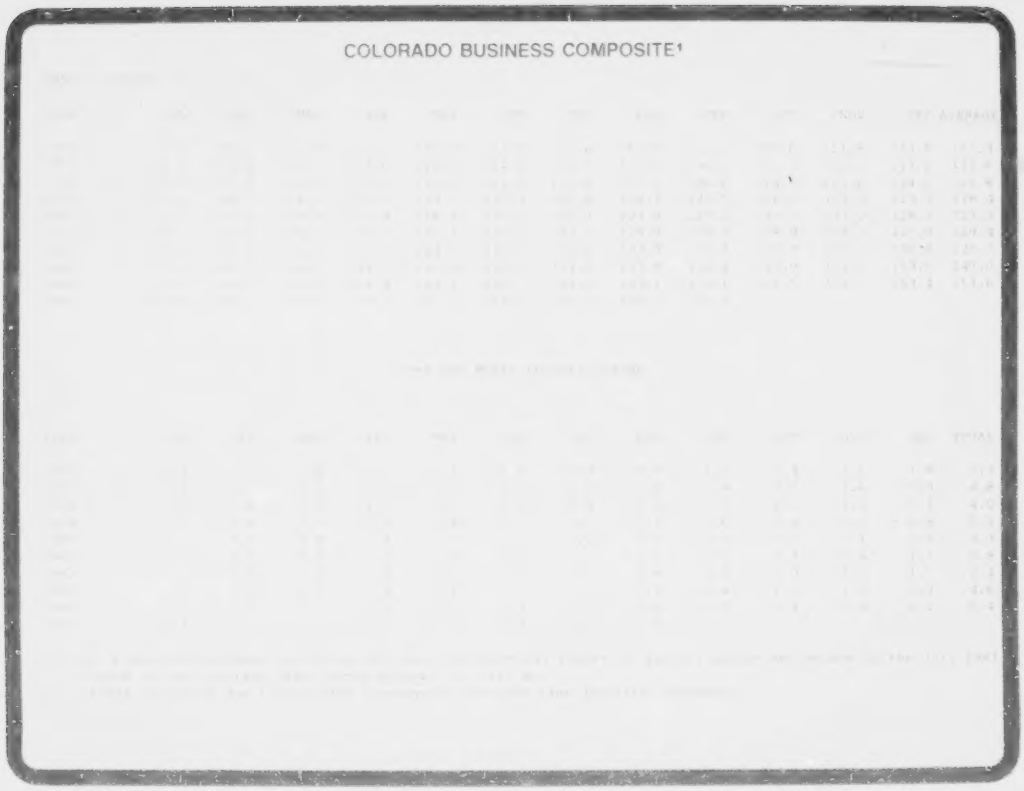
The national economy is far from being completely "out of the woods", however, as much of the gain in the third quarter came from the temporary stimulus of stepped up defense spending and payments to farmers by government and the offering of interest rate incentives by American auto manufacturers. In addition, third quarter GNP is likely to be revised downward when the September trade deficit, which was not included in the third quarter report, is figured in. The trade deficit swelled to a record $15.55 billion in September, despite the recent decline of the dollar.

There is little doubt that the recent G-5 intervention in the foreign exchange markets in order to drive the dollar down against our trading partners currencies is an attempt to avert protectionist measures presently before Congress and to make this country's agricultural and manufacturing products once again competitive in world markets. Nor is there little doubt that it will be successful (history shows us that attempts to reduce the dollar's value have been relatively successful while attempts to support it have most often failed). The likely result of this action will be a much needed economic boost in this country. *The economic boom that is to follow, however, will come at the expense of much higher inflation.*

Stock prices as mentioned at the outset slid 6.5 percent and held the composite index back from making any further headway. The index of share prices of 30 regional firms fell to 270.86 in September from 289.78 in August. This correction will prove to be only temporary, however, as all major stock indexes headed sharply higher in October.

Of the five leading indicators showing strength during September, statewide average weekly initial claims for unemployment insurance had the largest positive influence on the CBC. Weekly initial claims in the State fell (positive movement for purposes of the CBC) by almost 7.5 percent to 3,716 over the month from the 4,013 filed in August.





Total private housing permits in the State increased by more than 12.5 percent during September. The number of units advanced to 2,747 units from 2,440 the month before.

Total bank deposits at Colorado financial institutions grew to $11.923 billion from $11.832 billion between August and September. The less than one percent gain in price-adjusted deposits in the State brings the level back close to the $11.942 billion on deposit in July.

Also rising over the month was the Colorado net business formation index. It rose slightly to 344.43 from 343.39 in August. A small gain in the net business incorporations portion of the index narrowly offset a small decline in the net business telephone lines component.

Finally, the percent change in sensitive materials prices as measured by the U.S. Producer Price Index showed a scant increase to - 0.49 percent in September from - 0.52 in August. The negative change brings to 16 the number of months that sensitive wholesale prices have been declining, just 3 shy of the record 19 straight that took place during the 1981-82 recession.

DATA SERIES FOR LEADING INDICATORS COMPRISING THE COLORADO BUSINESS COMPOSITE

SEASONALLY ADJUSTED LABOR FORCE DATA[1/]

COLORADO

DENVER-BOULDER LMA

DENVER AREA CONSUMER PRICE INDEX (CPI-U) BY COMPONENT*

COLORADO LABOR FORCE ESTIMATES

COLORADO AREA	SEPTEMBER 1985 PRELIM TOTAL LABOR FORCE	TOTAL EMPLOY	TOTAL UN-EMP	% UN-EMP	--	AUGUST 1985 REVISED TOTAL LABOR FORCE	TOTAL EMPLOY	TOTAL UN-EMP	% UN-EMP
ALAMOSA	5857	5487	370	6.3	--	5872	5421	451	7.7
ARCHULETA	1613	1469	144	8.9	--	1618	1468	150	9.3
BACA	2639	2520	119	4.5	--	2613	2509	104	4.0
BENT	2576	2457	119	4.6	--	2557	2451	106	4.1
CHAFFEE	6156	5686	470	7.6	--	6392	5655	737	11.5
CHEYENNE	1179	1164	15	1.3	--	1186	1160	26	2.2
CO.SPGS.SMSA	175557	165875	9682	5.5	--	176453	166603	9850	5.6
-EL PASO	170890	161464	9426	5.5	--	171749	162173	9576	5.6
-TELLER	4667	4411	256	5.5	--	4704	4430	274	5.8
CONEJOS	2937	2517	420	14.3	--	3012	2505	507	16.8
COSTILLA	1103	917	186	16.9	--	1127	906	221	19.6
CROWLEY	1194	1129	65	5.4	--	1184	1123	61	5.2
CUSTER	1319	1239	80	6.1	--	1326	1249	77	5.8
DELTA	8977	8303	674	7.5	--	9051	8297	754	8.3
DEN-BLDR LMA	1041344	996016	47328	4.5	--	1036417	987074	49343	4.8
-ADAMS	159232	150303	8929	5.6	--	158263	149253	9010	5.7
-ARAPAHOE	198007	190510	7497	3.8	--	195525	188129	7396	3.8
-BOULDER	121591	115012	6579	5.4	--	121051	114208	6843	5.7
-CLEAR CREEK	4375	4204	171	3.9	--	4991	4174	817	16.4
-DENVER	304208	290403	13805	4.5	--	302788	288377	14411	4.8
-DOUGLAS	17031	16519	512	3.0	--	16923	16404	519	3.1
-GILPIN	1584	1516	68	4.3	--	1621	1505	116	7.2
-JEFFERSON	235316	225549	9767	4.2	--	234205	223974	10231	4.4
DOLORES	845	808	37	4.4	--	837	800	37	4.4
EAGLE	11873	11301	572	4.8	--	11917	11337	580	4.9
ELBERT	2892	2663	229	7.9	--	2894	2652	242	8.4
FT CO-LVD MSA	88965	85074	3871	4.4	--	88715	84493	4222	4.8
FREMONT	12513	11681	832	6.6	--	12495	11615	880	7.0
GARFIELD	14852	13964	888	6.0	--	14993	14035	958	6.4
GRAND	7339	7123	216	2.9	--	7564	7166	398	5.3
GREELEY MSA	69220	65639	4521	5.1	--	69590	65741	3849	5.5
GUNNISON	5703	5542	161	2.8	--	5710	5514	196	3.4
HINSDALE	217	217	0	.0	--	222	220	2	.9
HUERFANO	2666	2387	279	10.5	--	2684	2383	301	11.2
JACKSON	805	778	27	3.4	--	820	774	46	5.6
KIOWA	924	884	40	4.3	--	882	877	5	.6
KIT CARSON	4244	4070	174	4.1	--	4178	4078	100	2.4
LAKE	2805	2626	179	6.4	--	4061	2443	618	20.2
LA PLATA	16634	15751	883	5.3	--	16697	15710	987	5.9
LAS ANIMAS	5687	5007	680	12.0	--	5680	4945	735	12.9
LINCOLN	2679	2606	73	2.7	--	2697	2602	95	3.5
LOGAN	10618	10230	388	3.7	--	10685	10249	436	4.1
MESA	43413	40091	3322	7.7	--	43743	40025	3718	8.5
MINERAL	551	513	38	6.9	--	561	512	49	8.7
MOFFAT	6535	6037	498	7.6	--	6585	6044	541	8.2
MONTEZUMA	8546	7896	650	7.6	--	8568	7849	719	8.6
MONTROSE	11114	10264	850	7.6	--	11186	10257	929	8.3
MORGAN	13342	12492	850	6.4	--	13518	12478	1040	7.7
OTERO	9520	9150	470	4.9	--	9981	9326	655	6.6
OURAY	581	490	93	16.0	--	590	484	106	18.0
PARK	2096	1932	164	7.8	--	2116	1936	180	8.5
PHILLIPS	2173	2127	46	2.1	--	2198	2118	80	3.6
PITKIN	8459	8130	329	3.9	--	8415	8192	223	2.7
PROWERS	8192	7754	438	5.3	--	8155	7745	410	5.0
PUEBLO MSA	47532	43097	4435	9.3	--	47358	42365	4993	10.5
RIO BLANCO	3350	3202	148	4.4	--	3372	3198	174	5.2
RIO GRANDE	5828	5239	589	10.1	--	5950	5237	713	12.0
ROUTT	12896	12367	529	4.1	--	12972	12378	594	4.6
SAGUACHE	2250	2028	222	9.9	--	2440	2030	410	16.8
SAN JUAN	420	329	91	21.7	--	451	332	119	26.4
SAN MIGUEL	1941	1851	90	4.6	--	1957	1868	89	4.5
SEDGWICK	1523	1452	71	4.7	--	1535	1452	83	5.4
SUMMIT	19314	18808	513	2.6	--	19398	19006	392	2.0
WASHINGTON	2703	2593	110	4.1	--	2701	2580	123	4.6
YUMA	4918	4797	121	2.5	--	4922	4789	133	2.7
STATE TOTAL	1731194	1643809	87385	5.0	--	1729623	1636256	93367	5.4

Estimates made in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics and adjusted to Current Population Survey Data. Estimates not seasonally adjusted.

HOURS AND EARNINGS FOR SELECTED INDUSTRIES[1]

COLORADO

DENVER-BOULDER AREA

SELECTED MONTHLY ACTIVITIES—DIVISION OF EMPLOYMENT

COLORADO DENVER AREA

AREA LABOR FORCE COMPARISONS